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Chief, Economic Research, ORR

4 March 1959

Chief, Industrial Division, ORR

Monthly Report, February 1959

I. Relations with and Support to Other Components:

A. CIA:

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1. At the request of the DCI, I/GM prepared a memorandum recommending that the DCI's Ad Hoc Panel of Consultants (the [redacted] Panel) should not be reconvened at present to re-examine the Soviet ICBM program. This recommendation was subsequently accepted, in effect, by USIB, although the Board decided to consider the question of a new missile estimate again during March.
 2. Chief, D/I and Acting Chief, I/GM, supported by I/EE, I/IE and I/MS, prepared an overnight comment on the statement regarding ICBM production by two Soviet scientific educators visiting New York. The substance of this comment, heavily edited, was published in the Current Intelligence Digest. The original ORR draft was received with appreciation by the DD/I.
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 3. [redacted] briefed the CIA Guided Missile Forum conducted by OSI on the estimated Soviet ICBM production and deployment program prepared by I/GM for the DD/I on the assumption that Khrushchev's recent ICBM statements were substantially correct. [redacted] made a very effective 25X1A9a presentation which was highly commended by Acting Chief, OMD/OSI.
 4. During February, there were several developments regarding collection of information on missile deployment in the European Satellite*. These included the preparation of a statement of general collection objectives by the DD/I Guided Missile Task Force; conversations with a representative of EE/Plans, DD/P, concerning relative priorities by geographic area and type of information; and a request to OSI and DD/P for a feasibility study regarding the use of [redacted]

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5. Coordination between ORR and OSI and between the SIC and EIC subcommittees concerned with intelligence on electronics will be discussed at a meeting scheduled to be held during the week of 2 March 1959. The meeting will include the DAD/RR, Secretary of the EIC, [REDACTED] 25X1A9a and a representative of I/EE.

6. At the request of Deputy Chief, Economic Research, the Chief of I/MS reviewed, together with personnel from I/ME, A/E, M/FP, and S/TR, various drafts of a study conducted by DD/P of Soviet occupation practices in Austria during the period 1946-55. It was found that they were only of peripheral interest, the work being too exclusively oriented toward conditions in Austria.

7. I/EE was visited by two representatives of the Army Security Agency Board, who requested advance copies of five Branch projects in connection with a survey of future Soviet communications equipment capabilities. They were allowed to read draft copies of four of these projects, and have been promised early copies of the final reports. Draft texts were not furnished to them for retention.

B. USIB Committees: 25X1A9a

8. [REDACTED] provided support to GMAIC in its reconsideration, at USIB's request, of the Soviet 700 n.m. and 1,100 n.m. missile programs. This reconsideration resulted in some slight revisions in previous estimates (see para 17 below).

C. Other:

9. Chief, D/I and members of I/GM met with two senior representatives of the Office of General Studies, NSA, to discuss long-standing problems of obtaining adequate NSA reporting on matters of vital concern to ORR's [REDACTED] 25X1D0a research effort. The NSA representatives were justifiably concerned when confronted with evidence of serious inaccuracies and apparently unwarranted delays in NSA reporting, and agreed to inform I/GM in about two weeks of whatever action they could take to overcome these problems. 25X1A5a1

25X1A5a1 [REDACTED] I/ME representatives met with [REDACTED] concerning the availability of certain data.

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11. I/SE held several meetings with ONI analysts to resolve differences on NIS 26 Section 64E.

12. I/EE is now providing support to the USASIA analyst who is preparing a contribution to the China NIS.

25X1A9a/I, 13. At a meeting with representatives of OTIA, Dep Chief, (I/MS), and several members of M/CH resolved problems relating to explosives production in East Germany that had arisen in connection with the NIS on East German Manufacturing and Construction.

25X1A9a 14. Members of D/I met twice during the month with representatives from the [redacted]. At the first meeting, held jointly with D/A, [redacted] discussed ruble-dollar ratios for machinery and equipment. At a subsequent meeting, Chief, and Deputy Chief, D/I, together with [redacted]

25X1A5a 25X1A9a 25X1A5a1 discussed [redacted] effort to compare the Soviet and U.S. guided missile programs. It appeared that [redacted] was considering doing its own full Soviet estimate (political, economic, scientific and military) in order to fulfill an Army contract on air defense for the U.S. We discouraged this.

25X1A6a 25X1X7 15. Chief, I/CM, participated as a member of a four-man CIA delegation in the [redacted] Conference on Guided Missile Intelligence (5 - 20 February). Following the Conference, he proceeded to [redacted] for conference with and support to Agency personnel connected with guided missile activities at those stations.

25X1A5a 25X1A5a1 16. Chief, D/I, briefed [redacted] (in the presence of Col. Grogan - CIA public relations officer) on various aspects of Soviet military economics and submarine production and elements of an ICBM program.

II. Changes in Estimates:

17. OMAIC's reconsideration of the Soviet 700 and 1,100 n.m. missile programs (see para 8 above) resulted in the following revisions in current estimates:

a. The 1,100 n.m. missile is now estimated to be a new weapon system, rather than a modification of the 700 n.m. missile, as previously estimated.

b. The operational availability date for the 1,100 n.m. missile is now estimated to be "in the latter part of 1958" (Air Force footnote: probably 1959), rather than "in 1958", as previously estimated.

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18. Intelligence on Soviet production of consumer radio and television sets now indicates that the original 1960 goals will not be met until at least 1965. These plan revisions are probably connected with the inability of the USSR to meet the original goals in electron tube production (original goal 1960-200 million tubes; I/EE estimate 1960-150 million tubes). Current information indicates, however, that the USSR will be able to offset the difficulty in electron tube production by a production of transistors in excess of their original 1960 plan goals, and by increased life-expectancy and reliability of electron tubes produced in 1959 and 1960.

III. Future Plans:

19. OO/C set in motion at I/CM's request a greatly expanded collection program directed principally toward observational information on Soviet guided missile production and deployment.

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The OO/C program will require a substantial amount of guidance and direct support from the branch, along the lines now being given to DD/P. A special one-week orientation and briefing course has been arranged at [REDACTED] for the week of 9 March for the OO/C Case Officers who have been appointed to handle this program at the principal OO field offices. The course will consist of a series of substantive presentations by the ORR and OSI members of the DD/P Guided Missile Task Force, followed by several days of briefings by DD/P on "operational realities" and techniques of collection in the USSR.

20. In view of the frequent and recurring requests for comparisons of US-USSR light industrial production, I/MS intends to prepare a short report on the subject. Included will be explanations of reporting classifications, and discussion of qualifications that complicate unit to unit comparisons.

21. I/EE will participate with St/FM in an examination of Soviet manufactured electronic goods as soon as permission is received to visit the US firm which imported the goods.

22. I/EE has been requested to participate in providing intelligence support to the US COMCOM Delegation. A meeting will be held in Dayton, Ohio, to lay the groundwork for the 1959 negotiations.

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23. Requests are being prepared for personnel of I/EE to visit several electronics manufacturing firms during the remainder of FY-1959. The visits will include firms manufacturing electronic computers, electronic components of missile systems, and semi-conductors.

24. Heavy Press Exchange -- The Air Force through the offices of Mr. Loewy of Loewy-Hydropress have proposed to the USSR an heavy press exchange. An US itinerary has been suggested and the Soviets have been asked to respond with an equivalent itinerary. The proposal makes clear to the Soviets that "... final concurrence to your visit will depend, . . . , on the number and plants which you would suggest they (the US delegation) should see." The SIC sub-committee on Industrial Machinery will review the Soviet reply when received and make appropriate recommendations to the Ad Hoc Committee on Exchanges.

IV. Other Matters:

25. D/Ch/S has completed his review of the functions, personnel resources and problems of the branch. To date, he has agreed to: (a) assist the branch in achieving approximately the professional personnel strength authorized at the beginning of 1958; (b) consider further additional professional personnel requirements of the branch; (c) provide additional clerical assistance; and (d) take action to determine whether and to what extent certain current branch analytical problems can be alleviated by machine data processing methods.

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